

MINUTES OF THE MEETING
INDIANA HEALTH AND EDUCATIONAL FACILITY FINANCING AUTHORITY

January 24, 2007

MEMBERS PRESENT: Ryan Kitchell; Lance Rhodes; Bill Lister; Ron Fruitt

ALSO PRESENT: Brenda Horn, Kristin McClellan, Ice Miller; Bob Kocher, Bank of New York; John Meade, Hall Render; Brad Gesse, Katz Sapper & Miller; Curt Fritsch, CRF Financial Group; Julie Bolling, Krieg DeVault; Kelly McNairy, City Securities; Chuck Pentan, Harris Bank; Judy Sikora, Tri City CCMHC; John Meade, Hall Render; Jenni Alvey; Cindy Pierson; and Dan Kramer.

Mr. Kitchell welcomed those in attendance, recognized the presence of a quorum and called the meeting to order at 11:05 a.m. on January 24, 2007, in Suite 900, One North Capitol Avenue, Indianapolis, Indiana, pursuant to notice thereof.

Mr. Kitchell asked for approval of the Minutes of the December 13, 2006, meeting of the Indiana Health and Educational Facility Financing Authority. Thereupon, upon motion made by Mr. Lister and seconded by Mr. Rhodes, it was unanimously:

RESOLVED, the Minutes of the December 13, 2006, meeting of the Indiana Health and Educational Facility Financing Authority are hereby approved and the Executive Director is instructed to execute same and to place same in the Minute Book as the Minutes of the December 13, 2006, Meeting of the Indiana Health and Educational Facility Financing Authority.

EXECUTIVE DIRECTOR'S REPORT

A copy of the Executive Director's Report is attached hereto as Exhibit A.

The Executive Director began by telling members about the Resolution for Tri-City Comprehensive Community Mental Health, Inc. for an amount not to exceed \$1,180,000. The purpose of this financing is for the refinancing of present commercial bank debt.

Thereupon, upon motion made by Mr. Rhodes and seconded by Mr. Fruitt, it was unanimously:

RESOLVED, the resolution authorizing the issuance and sale of no more than \$1,180,000 Health Care Facilities Revenue Bonds, Series 2007 (Tri-City Comprehensive Community Mental Health Center, Inc. Project) of the Indiana Health and Educational Facility Financing Authority, for the purpose of funding a loan to Tri-City Comprehensive Community Mental Health Center, Inc. for the

purpose of refinancing health facility property to be owned and operated by Tri-City Comprehensive Community Mental Health Center, Inc; providing for the pledge of revenues for the payment of such bonds; authorizing the execution of a bond purchase and loan agreement and a project note appropriate for the protection and disposition of such revenues and to further secure such bonds; and authorizing other actions in connection with the issuance of such bonds.

A copy of the resolution is attached hereto as Exhibit B.

The Executive Director continued with the next item on the agenda, the Resolution for Johnson Memorial Hospital for an amount not to exceed \$6,000,000. The purpose of this financing is to transition to mostly private rooms and add a Progressive Care Unit.

Thereupon, upon motion made by Mr. Lister and seconded by Mr. Fruitt, it was unanimously:

RESOLVED, that the Authority hereby authorizes Bank of New York Trust Company, N.A., as Trustee, to take such actions as are necessary to lend \$6,000,000 from the Authority's 1985A Variable Rate Bond Issue Account to Johnson Memorial Hospital, upon obtaining final approval of the loan from MBIA as well as the necessary and proper documentation for such loan evidencing compliance with all requirements of the 1985A Program, including all requirements of MBIA.

The Executive Director continued with the next item on the agenda, a presentation by Katz Sapper & Miller regarding the IHEFFA's June 30, 2006 financial statements .

The Executive Director finished his report by directing members to the Indiana Health and Educational Facilities Financing Authority's December expense report and January Cash & Investment Report.

The Executive Director concluded his report.

There being no further business, the meeting was adjourned.

Respectfully submitted,

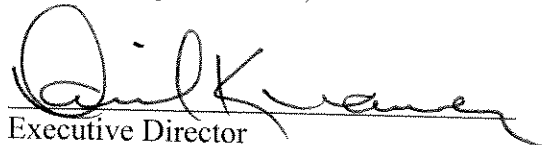

Executive Director

EXHIBIT A

**INDIANA HEALTH AND EDUCATIONAL FACILITY
FINANCING AUTHORITY**

ONE NORTH CAPITOL AVE., SUITE 900
INDIANAPOLIS, INDIANA 46204
(317) 233-4335 FAX: (317) 232-6786

REPORT BY

DANIEL KRAMER, EXECUTIVE DIRECTOR

January 24, 2007

Activities for the period December 14, 2006, through January 24, 2007, are as follows:

I. Special Projects in Various Stages of Development:

1. Floyd Memorial Hospital and Health Services - Closed	\$15,000,000
2. Community Hospital of LaGrange County, Inc.	\$26,750,000
3. University of Indianapolis	\$12,250,000
4. Tri-City Comprehensive Community Mental Health, Inc.	\$ 1,180,000

II. 1985 A Variable Rate Pool Activity

1. New Applications: Johnson Memorial Hospital	\$6,000,000
2. Pending Applications: None	
3. Approvals: None	

III. Comments

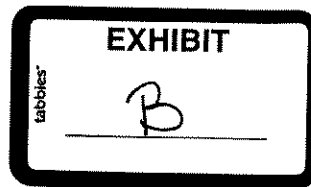
1. The Floyd Memorial Hospital and Health Services Project (\$15,000,000) closed on December 14.
2. Included in Authority Members' folders is an application and resolution for the Tri-City Comprehensive Community Mental Health, Inc. transaction in an amount not to exceed \$1,180,000. Julie Bolling of Krieg DeVault, Bond Counsel, Chuck Pentan of Harris Bank, and Judy Sikora of Tri-City are here to discuss the resolution.
3. Included in Authority Members' folders is an application for a 1985A variable rate pool loan from Johnson Memorial Hospital (Franklin) in an amount not to exceed

\$6,000,000. The purpose of the loan is to transition to private rooms (63% of rooms) and add a Progressive Care Unit. Brenda Horn, Ice Miller, bond counsel, and Elizabeth Hedden, Vice President of Finance, are here to discuss the application.

Please consider the following resolution approving the application:

RESOLVED, that the Authority hereby authorizes Bank of New York Trust Company, N.A., as Trustee, to take such actions as are necessary to lend \$6,000,000 from the Authority's 1985A Variable Rate Bond Issue Account to Johnson Memorial Hospital, upon obtaining final approval of the loan from MBIA as well as the necessary and proper documentation for such loan evidencing compliance with all requirements of the 1985A Program, including all requirements of MBIA.

4. Included in Authority Members' folders are the IHEFFA *Financial Statements, June 30, 2006*, audited by the accounting firm of Katz, Sapper & Miller, LLP.
5. Included in Authority Members' folders is the December, 2006, Expense Report.
6. Included in Authority Members' is the January, 2007, *Cash and Investments* Report.



A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NO MORE THAN \$1,180,000 HEALTH CARE FACILITIES REVENUE BONDS, SERIES 2007 (TRI-CITY COMPREHENSIVE COMMUNITY MENTAL HEALTH CENTER, INC. PROJECT) OF THE INDIANA HEALTH AND EDUCATIONAL FACILITY FINANCING AUTHORITY, FOR THE PURPOSE OF FUNDING A LOAN TO TRI-CITY COMPREHENSIVE COMMUNITY MENTAL HEALTH CENTER, INC. FOR THE PURPOSE OF REFINANCING HEALTH FACILITY PROPERTY TO BE OWNED AND OPERATED BY TRI-CITY COMPREHENSIVE COMMUNITY MENTAL HEALTH CENTER, INC.; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SUCH BONDS; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AND LOAN AGREEMENT AND A PROJECT NOTE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND TO FURTHER SECURE SUCH BONDS; AND AUTHORIZING OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS.

WHEREAS, the Indiana Health and Educational Facility Financing Authority, a public body politic and corporate, not a State agency, but an independent public instrumentality of the State of Indiana exercising essential public functions (the "Issuer"), pursuant to the provisions of Sections 5-1-16-1 through 5-1-16-46, inclusive, of the Indiana Code, as amended (the "Act") is specifically authorized and empowered to issue its \$1,180,000 Indiana Health and Educational Facility Financing Authority Health Care Facilities Revenue Bonds, Series 2007 (Tri-City Comprehensive Community Mental Health Center, Inc. Project) (the "Bonds") as hereinafter approved; and

WHEREAS, Tri-City Comprehensive Community Mental Health Center, Inc. (the "Borrower"), an Indiana nonprofit corporation and a Participating Provider within the meaning of the Act, has requested that the Issuer issue the Bonds and loan the proceeds of the Bonds to the Borrower for the purpose of refinancing existing taxable debt originally incurred in connection with: (i) the renovation of the Substance Abuse Residential Detox and Rehabilitation Center comprising approximately 8,000 square feet of the approximately 60,000 square foot main facility of the Borrower located at 3903 Indianapolis Blvd., East Chicago, Indiana; (ii) the acquisition, construction, installation and equipping of an approximately 5,000 square foot adult transitional facility located at 50 Elizabeth Street, Hammond, Indiana; and (iii) the purchase of a computer system to be utilized in the Borrower's main facility located at 3903 Indianapolis Blvd., East Chicago, Indiana (collectively, the "Project"); and

WHEREAS, the Issuer has agreed and is willing, pursuant to the Act, to issue the Bonds to provide funds for the Project by lending such funds to the Borrower pursuant to the Bond Purchase and Loan Agreement (the "Loan Agreement"), dated the date of closing, by and among the Issuer, the Borrower and Harris N.A., as original purchaser of the Bonds (the "Holder"), which prescribes the terms and conditions under which the Borrower shall repay such loan and pursuant to which the Borrower will execute and deliver to the Issuer its promissory note (the "Project Note") in the principal amount equal to the aggregate principal amount of the Bonds; and

WHEREAS, the Project is necessary or helpful to provide, directly or indirectly, healthcare services or any related supporting services in Indiana and thus constitutes a "health facility" within the meaning of the Act and therefore it is necessary and proper that the Issuer (a) authorize the issuance of the Bonds for the purpose of financing the Project, (b) authorize the execution and delivery of the Loan Agreement, (c) authorize the endorsement of the Project Note to the Holder, and (d) confirm and approve the sale of the Bonds and approve other necessary or related documents and actions.

WHEREAS, pursuant to the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), a public hearing on the proposed plan of financing of the Project was held by the Public Hearing Officer of the Issuer, prior to the adoption of this Resolution, pursuant to notice caused to be published by the Public Hearing Officer of the Issuer in *The Post Tribune* and *The Hammond Times*, both being newspapers of general circulation in the City of East Chicago, Indiana and the City of Hammond, Indiana on January 2, 2007 and January 6, 2007, respectively, and in *The Indianapolis Star* and in the *Court & Commercial Record*, both being newspapers of general circulation in the City of Indianapolis, Indiana, on December 30, 2006 and January 8, 2007, respectively.

NOW, THEREFORE, BE IT RESOLVED by the Indiana Health and Educational Facility Financing Authority, AS FOLLOWS:

Section 1. Definitions. In addition to the words and terms defined in this Resolution, the words and terms used in this Resolution shall have the meanings set forth in the Loan Agreement, the Project Note, and in the form of the Bonds unless the context or use indicates another or different meaning or intent.

Section 2. Determination of Issuer. Pursuant to the Act, and based solely upon the application submitted by the Borrower and other representations made, information presented and testimony given by representatives of the Borrower, without independent verification, the Issuer hereby finds and determines that the Project is "health facility" property as defined in the Act and is consistent with the provisions of the Act, and the Project shall be and is hereby approved and authorized to be refinanced through the issuance of the Bonds as described herein.

The Issuer further determines that the action of the Public Hearing Officer of the Issuer in causing notice of said public hearing to be published as required by Section 147(f) of the Code, is in all respects hereby ratified, confirmed and approved, and the holding of said public hearing by the Public Hearing Officer of the Issuer is hereby acknowledged and approved. The Lieutenant Governor, as the "applicable elected representative" of the Issuer for purposes of Section 147(f) of the Code, has concurrently herewith approved the issuance of the Bonds in the aggregate principal amount not to exceed \$1,180,000 to assist in the refinancing of the Project as hereinbefore provided.

Section 3. Authorization of Bonds. There are hereby authorized to be issued, sold and delivered the Bonds designated as "Indiana Health and Educational Facility Financing Authority Health Care Facilities Revenue Bonds, Series 2007 (Tri-City Comprehensive Community Mental Health Center, Inc. Project)" in an aggregate principal amount not to exceed One Million One Hundred Eighty Thousand Dollars (\$1,180,000), for the purpose of paying a portion of the costs of the Project.

Section 4. Terms and Execution of the Bonds. The Bonds shall be issued as fully registered Bonds, without coupons, in the form and denominations set forth in the Loan Agreement; shall bear such date as provided in the Loan Agreement; shall mature no later than 16 years from the date of issue and shall bear interest at a fixed rate (as set forth in the Loan Agreement); shall be subject to tender or redemption prior to maturity upon the terms and conditions set forth in the Loan Agreement; shall be payable at such place or places and in such medium as provided in the Loan Agreement; and shall contain such other terms and provisions as are set forth in the Loan Agreement.

The Bonds shall be executed by the manual or facsimile signature of the Chairman or the Vice Chairman of the Issuer and the official seal, if any, of the Issuer or a facsimile thereof shall be affixed or imprinted on the Bonds. The Seal shall be attested by the manual or facsimile signature of the Executive Director of the Issuer. However, one (1) of the signatures must be manual, unless the Bonds are authenticated by the manual signature of an authorized officer of a trustee for the bondholders.

The Bonds are special, limited obligations of the Issuer payable solely from payments of principal of, premium, if any, and interest on the Bonds made by the Borrower under the Project Note and the Loan Agreement except to the extent that the principal of, premium, if any, and interest on the Bonds may be paid out of money attributable to Bond proceeds or from temporary investments or from other moneys, if any, accruing to the Holder.

Pursuant to the Loan Agreement, the Issuer will assign to the Holder the Issuer's rights under the Loan Agreement and the Project Note (except for the Unassigned Issuer Rights, as defined in the Loan Agreement), as security for the payment of the Bonds. As a result of the Issuer's assignment as hereinbefore provided, the Issuer will have no ownership interest in the Project.

The Bonds shall not be deemed to constitute a debt or liability of the State of Indiana or of any political subdivision thereof or a pledge of the faith and credit of the State of Indiana or any such political subdivision, but shall be payable solely from the funds provided therefor. The Bonds shall be payable solely from the revenue and receipts derived from the Loan Agreement and the Project Note. The State of Indiana or any political subdivision thereof and the Authority shall not be obligated to pay the principal or the interest on the Bonds, and neither the State nor the taxing power of the State of Indiana or any political subdivision thereof including the Authority, is pledged to the payment of the principal or of the interest on the Bonds. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State of Indiana or any political subdivision thereof, to levy or to pledge any form of taxation whatsoever therefor or to make any appropriation for their payment. The Authority has no taxing power. Neither the

members of the Issuer nor any person executing the Bonds shall be subject to personal liability by reason of the issuance of the Bonds.

The Borrower will indemnify and hold the Issuer, its members and the State of Indiana, including its attorneys, employees and agents, free and harmless from any loss, claim, damage, tax, penalty, liability, disbursement, litigation expenses, attorneys' fees and expenses or court costs arising out of, or in any way relating to, the execution or performance of the Loan Agreement, the Project Note or any other documents in connection therewith, including the issuance or sale of the Bonds, actions taken under the Loan Agreement, the Project Note or any other cause whatsoever pertaining to the Project or the Bonds, except in any case as a result of the gross negligence or willful misconduct of the Issuer.

Section 5. Authorization of the Loan Agreement, Project Note and All Other Documents to be Executed by the Issuer. In order to secure the payment of the principal of, premium, if any, and interest on the Bonds, any two of the of the Chairman, the Vice Chairman or the Executive Director of the Issuer (the "Authorized Signatories") shall execute (by manual or facsimile signature affixed in accordance with Section 7 hereof), acknowledge and deliver in the name and on behalf of the Issuer, the Loan Agreement and shall endorse (by manual or facsimile signature affixed in accordance with Section 7 hereof) the Project Note to the Holder in substantially the form submitted to the Issuer, with such changes therein as such officials, with the advice of counsel, may approve and determine, as conclusively evidenced by their execution thereof, to be advisable and in the best interests of the Issuer and in conformance with this Resolution. The documents before this meeting, including the Loan Agreement and the Project Note, have been approved in the forms submitted. The Executive Director is hereby directed to keep such Loan Agreement and the Project Note on file.

Section 6. General. Authorized Signatories, or any of them, are hereby authorized and directed, in the name of and on behalf of the Issuer, to execute any and all instruments, documents and certificates, perform any and all acts, approve any and all matters, and do any and all things deemed by them to be necessary or desirable in order to carry out the purposes of this Resolution (including the preambles hereto), the refinancing of the Project by the Borrower, the issuance and sale of the Bonds pursuant to the Loan Agreement and the securing of the Bonds under the Loan Agreement and the Project Note.

Section 7. Signature Stamp. The Issuer hereby authorizes the use of a signature stamp of the Authorized Signatories on all documents (excluding the Bonds, except as set forth above, and the IRS Form 8038) necessary or desirable in connection with the issuance of the Bonds. Each Authorized Signatory may authorize, in a writing executed with a manual signature, Issuer counsel or a similar person to affix a stamp of their signature to the various bond documents and the Issuer hereby affirms that such delegation and authorization shows the approval of such officer and the Issuer agrees to be bound by a document executed in such manner.

Section 8. Invalidity. If any section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining sections, paragraphs, clauses or provisions.

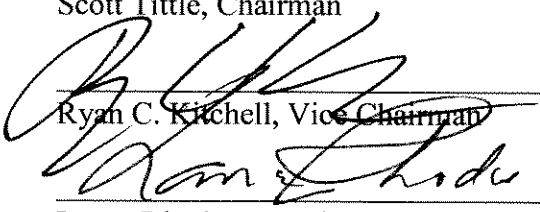
Section 9. Conflicts. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed.

Section 10. Effective Date. This Resolution shall be in full force and effect immediately upon its passage.

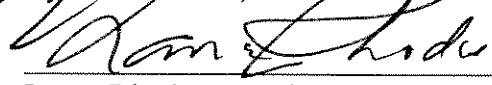
IN WITNESS WHEREOF, INTRODUCED, ADOPTED AND APPROVED at a duly convened meeting of the members of the Indiana Health and Educational Facility Financing Authority, held on the 24th day of January 2007, signed by the members, attested by the Executive Director.

APPROVED:

Scott Tittle, Chairman



Ryan C. Kitchell, Vice Chairman




Lance Rhodes, Member

Kelly L. Borrer, Member



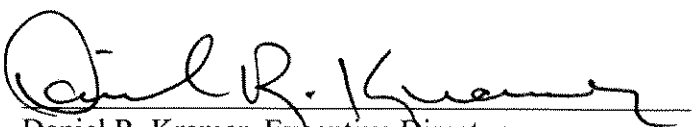
William L. Lister, Member

Jerry Mann, Member



Ronald Fruitt, Member

ATTEST:



Daniel R. Kramer, Executive Director